

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF DELAWARE**

IN THE MATTER OF THE APPLICATION                     )  
OF DELMARVA POWER & LIGHT COMPANY                 )  
FOR AN INCREASE IN ELECTRIC BASE                    ) PSC DOCKET NO. 17-0977  
RATES AND MISCELLANEOUS TARIFF                    )  
CHANGES   )  
(FILED AUGUST 17, 2018)                                 )

**ORDER NO. 9195**

**AND NOW**, this 13th day of March, 2018;

**WHEREAS**, on August 17, 2017, Delmarva Power & Light Company ("Delmarva" or the "Company") filed with the Delaware Public Service Commission (the "Commission") an application (the "Application") seeking approval of: (a) an increase in its electric base rates; and (b) miscellaneous tariff changes; and

**WHEREAS**, in its Application, Delmarva sought approval of an increase in annual operating revenues of \$24,425,436, or 4.5% over total revenues; and

**WHEREAS**, pursuant to its authority under 26 Del. C. §306(a)(1), the Commission reviewed the Application and determined in PSC Order No. 9108 (August 22, 2017) that the proposed rate and tariff changes should be suspended pending full and complete evidentiary hearings into their justness and reasonableness; and

**WHEREAS**, by PSC Order No. 9108, the Commission also granted the Company's request, pursuant to 26 Del. C. § 306(c), to implement interim rates intended to produce an annual increase in intrastate operating revenues of \$2.5 million on December 16, 2017, with proration and subject to refund, in the event the Commission suspends the proposed rate increase; and

**WHEREAS**, as of March 17, 2018, seven months will have elapsed from the date of the filing of the Company's application for a rate increase; and

**WHEREAS**, on February 26, 2018, Delmarva submitted a petition with proposed tariff sheets (the "Petition") seeking to implement revised interim rates to collect a total annual increase of \$5,800,000, as permitted by 26 Del C. § 306(b); and

**WHEREAS**, the Company did not file the bond with the Petition, as required by Del. C. § 306, but stated that consistent with past practice, a rate refund bond will be filed upon Commission approval of rates in whatever manner the Commission may require; and

**WHEREAS**, Commission Staff reviewed the Petition and has submitted to the Commission a memorandum recommending that the Commission approve the Company's request; and

**WHEREAS**, the proposed rates set forth in the Petition will result in total additional revenue to Delmarva of less than or equal to 15% of its annual gross intrastate operating revenues, thus not exceeding the 15% ceiling set forth in 26 Del. C. §306(b); and

**WHEREAS**, the Commission having reviewed the Petition to implement an interim rate increase under refund bond without surety and the supporting information demonstrating that the proposed increase is within the limits established by 26 Del. C. §306(b) and otherwise complies therewith for the collection of rates under bond;

**NOW, THEREFORE, IT IS HEREBY ORDERED BY THE AFFIRMATIVE  
VOTE OF NOT FEWER THAN THREE COMMISSIONERS:**

1. That the Commission finds, pursuant to 26 *Del. C.* §306(b), that Delmarva Power & Light Company has the statutory right, after the expiration of seven months from the filing of its rate increase application (on or after March 17, 2018), to place into effect an interim rate increase, subject to refund, so long as said rates will not produce an increase in excess of 15% of the Company's annual gross intrastate operating revenues.

2. That the proposed temporary rates set forth in the tariff sheets filed by Delmarva Power & Light Company in its Petition are reasonably designed to produce, on an annual basis, equal to or less than 15% of the gross annual intrastate operating revenues of Delmarva Power & Light Company and may therefore be placed into effect on March 17, 2018, under 26 *Del. C.* § 306(b), with proration for usage on and after March 17, 2018, subject to refund with interest.

3. That, within ten days, Delmarva Power & Light Company shall submit to the Commission a rate refunding bond, without surety, in the amount of **FIVE MILLION EIGHT HUNDRED THOUSAND DOLLARS (\$5,800,000)**.<sup>1</sup> Such rate refunding bond shall further guarantee repayment of the increased interim rates to be collected on and after March 17, 2018 pursuant to 26 *Del. C.* § 306(b) should the Commission, after notice and hearing, approve less than the rate increase requested by Delmarva

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<sup>1</sup> \$5,800,000 is cumulative of the \$2,500,000 put into effect on December 16, 2017 in accordance with PSC Order No. 9108. By this Petition, Delmarva seeks to put an additional \$3,300,000 into effect, subject to refund.

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Power & Light Company in its Application. The Commission reserves the right to subsequently increase the principal amount of the rate refunding bond, or require surety on any such amount, should the circumstances warrant.

4. That the Commission reserves the jurisdiction and authority to enter such further Orders in this matter as may be deemed necessary and proper.

**BY ORDER OF THE COMMISSION:**

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Chair

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Commissioner

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Commissioner

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Commissioner

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Commissioner

ATTEST:

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Secretary